RAJYA SABHA

Wednesday, the 29th November, 1995/ 8th Agrahayana, 1917 (Saka)

The House met at eleven of the clock, **Mr. Chairman** *in the Chair.*

INTRODUCTION OF MINISTERS

SHRI SATISH AGARWAL: Sir, the treasury benches are empty ...*(Interruptions)*....

SHRI MD. SALIM: There are no Congress Members sitting there. At least, you should have some followers.

SHRI GURUDAS DAS GUPTA: It is not a mistake. They all are sitting in the Congress Bhavan for gettng tickets. ....*(Interruptions)*....

THE LEADER OF THE HOUSE (SHRI S.B. CHAVAN): Mr. Chairman, Sir, I have great pleasure in introducing the new Ministers. Shri Mohd. Ayub Khan, Minister of State in the Ministry of Agriculture.

Deputy Ministers who have been elevated as Ministers of States: Shri Ram Lal Rahi, Minister of State in the Ministry of Home Affairs and Kumari Selja, Minister of State in the Ministry of Human Resource Development (Department of Education and Department of Culture).

THE LEADER OF THE OPPOSITION (SHRI SIKANDER BAKHT):
There is nobody to clap from your party ....*(Interruptions)*....

ORAL ANSWERS TO QUESTIONS

Manufacturing and Marketing of Frozen Desserts by Multinational Companies

*41. SHRI V. HANUMANTHA RAO:
SHRI SANJAY DALMIA:†

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government have received any proposals or already granted approval to any multinational company to manufacture and market frozen desserts in the country;

(b) if so, whether the production of frozen-desserts-does not fall in the category of ice-cream which is reserved for small scale-units; and

(c) whether Government propose to review the approvals already granted to multinational companies in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI K.P. SINGH DEO): (a) The manufacturing of milk products other than those reserved for small scale industries is delicensed; and companies registered in India including companies with foreign equity holdings are to file only Industrial Entrepreneur Memoranda for setting up such projects. One such company had filed an Industrial Entrepreneur Memorandum for manufacturing frozen desserts (other than Ice-cream) and has implemented the same.

(b) Yes, Sir.

(c) Does not arise.

SHRI SANJAY DALMIA: Sir, from the answer of the Minister it appears to me that he has agreed that they have given a licence for manufacture to a multinational called 'Brooke Bond' according to my information it is 'Brooke

†The Question was actually asked on the floor of the House by Shri Sanjay Dalmia.

Bond'. It has been given a licence to manufacture frozen desserts, though the Minister has also admitted that frozen desserts is also reserved in the category of small scale industries. Therefore, part (a) of my question is how a licence has been given to a multinational 'Brooke Bond', when the item is reserved for small scale? I also want to know whether an Indian company by the name Vadilal was denied similar permission.

SHRI K.P. SINGH DEO: As far as part (a) of the question is concerned, frozen desserts is not reserved for small scale. It is only ice-cream which is reserved.

SHRI SANJAY DALMIA: It has been admitted in part (b) of your answer.

MR. CHAIRMAN: There should have been 'no' instead of 'yes'.

SHRI SANJAY DALMIA: That is what I am saying. The answer is 'yes', which means that the Minister is admitting it.

SHRI K.P. SINGH DEO: That is his own perception. I cannot go by his perception.

MR. CHAIRMAN: In the text it is said that it is not licensed. It is not in the small scale sector.

SHRI SANJAY DALMIA: The answer is 'yes'. What do I make of it? If it is 'no,' then I want to know whether it is a fact that the Ministry of Law has given an opinion that frozen desserts will be covered under ice-cream.

SHRI K.P. SINGH DEO: The Ministry of Law has given discretion to the Ministry of Food Processing Industries to interpret it. It is not a categorical recommendation of the Ministry of Law, but the observation of the Ministry of Law. They have left it to the Ministry of Food Processing to interpret it and take a final decision.

SHRI SANJAY DALMIA: I want to know whether it is a fact that 'Brooke Bond' was given a licence and an Indian company by the name. Vadilal was denied permission on the ground that frozen desserts is ice-cream. Is it a fact?

SHRI K.P. SINGH DEO: The question if frozen desserts is a small scale industry, then how was 'Brooke Bond' given license and not Vadilal? I said that it is not reserved for small scale industry. Ice-cream is reserved for small scale industry and frozen desserts by Brooke Bond is not. Sir, therefore, the question of giving licence to Brooke Bond and not to Vadilal does not arise because it is not reserved for small scale industry. Only if it is reserved for small scale unit that they come for a licence; otherwise, they have to file an industrial entrepreneurial memorandum, as has been mentioned in my statement.

SHRI SANJAY DALMIA: Sir, licence to Vadilal....

MR. CHAIRMAN: Is this the second question or the third question?

SHRI SANJAY DALMIA: I am seeking a clarification. Vadilal has been denied the licence, or memorandum, by whatever name you call it, on the ground that frozen dessert comes under ice-cream and that is why it is not given.

SHRI K.P. SINGH DEO: That is not correct.

SHRI SANJAY DALMIA: That is what I am asking.

SHRI K.P. SINGH DEO: The Ministry of Food Processing Industries does not issue licences. Sir, I am not aware of such denial. If he gives a notice, we will try to find out from the Ministry who issues licences.

SHRI SANJAY DALMIA: My second supplementary is, if the Government thinks that frozen dessert is not under ice-cream, in spite of an opinion given by the Ministry of Law, then will they give similar opportunity to Indian companies and just not confine this thing to only foreign companies like Brooke Bond?

SHRI K.P. SINGH DEO: Sir, it is a suggestion and we shall examine it,.... *(Interruptions)*

SHRI S. JAIPAL REDDY: Sir, how can it be a suggestion? Let the Minister be more generous in giving a reply.

The hon. Member asked for a level playing field between a foreign company and an Indian company and where was the need for the Minister to consider it as a suggestion?

SHRI K.P. SINGH DEO: We are for a level playing field but I do not wish to give an assurance on a hypothetical question. It is a suggestion for action and we shall examine it if an aplication is received. *(Interruptions)*

SHRI S. JAIPAL REDDY: Sir, it is not a hypothetical question. It is a logical question *(Interruptions)*

MR. CHAIRMAN: Shri Janardan Yadav. *(Interruptions)* I have called Shri Janardan Yadav, please.

श्री जनार्दन यादव: सभापति महोदय, मैं आपके माध्यम से यह जानना चाहता हूं कि भारतवर्ष में जो छोटे उद्योग हैं और जो गांवों में पैदा होता है, गांवों में पैदा होने वाले फलों और अन्य वस्तुओं के उद्योग विदेशी कंपनियां स्थापित करें तो भारत के उद्योगपति क्या करेंगे? जो गांवों में उत्पादन होता है और गांवों में ही खर्च होता है तो क्या हिन्दुस्तान में ऐसे उद्योगपति नहीं हैं जो उस प्रोडक्ट को बना सकते हैं? अगर वे नहीं बना सकते तभी फॉरेन कम्पनीज़ को दिया जा सकता है। क्या इस देश को बहुराष्ट्रीय कंपनियों के हाथों में आप बेच देना चाहते हैं? क्या भारत को आप प्रोड्यूसर न बना कर के कंज्यूमर बनाना चाहते हैं? आपका क्या उद्देश्य है? **(व्यवधान)** मैं यह जानना चाहता हूं कि जब भारतीय उद्योगपति ऐसे उद्योगों को लगा सकते हैं तो उनको क्यों नहीं मिला?

MR. CHAIRMAN: Is that a question?

SHRI K.P. SINGH DEO: Sir, what is the question *(Interruptions)* Will he kindly repeat it?

SHRI SANGH PRIYA GAUTAM: It is very clear. Why cannot you encourage Indian companies? *(Interruptions)* That is the question.

श्री जनार्दन यादव: सभापति महोदय, मैं साफ तौर पर पूछना चाहता हूं कि जो उद्योग आपने बहुराष्ट्रीय कंपनियों को दिया है वह उद्योग भारतीय उद्योगपति लगा सकते हैं या नहीं? अगर लगा सकते हैं तो उनको क्यों नहीं दिया गया? इसी के साथ मेरे प्रश्न का भाग (बी) यह था कि क्या भारत को आप उत्पादन कंट्री नहीं बनाना चाहते हैं या कंज्यूमर कंट्री बनाना चाहते हैं? क्या बनाना चाहते हैं आप?

SHRI K.P. SINGH DEO: Sir, I have just received information about the instance given by the hon. Member, Mr. Sanjay Dalmia, that Vadilal's application has not been rejected so far. They have applied for 'carry on business licence for ice-cream. Therefore both the questions are hypothetical and nothing has been rejected.

SHRIMATI KAMLA SINHA: Sir, I would like to know from the Minister how many multinationals have been given licences for making frozen desserts and for food processing industry in our country and whether one of them is an American company called Baskin Robbins which is also marketing ice-creams.

SHRI K.P. SINGH DEO: Sir, permission for project import was given to Brooke Bond which has majority shares of a multinational company. Brooke Bond is itself not a multinational. Brooke Bond India has about 50.2 equity of a multinational. Only one company has filed an Industrial Entrepreneur Memorandum and it does not require a licence because it is doing it outside the small scale sector. ...*(Interruptions)*... About the other question, I will have to collect the information.

SHRIMATI KAMLA SINHA: Sir, I seek your protection.

SHRI K.P. SINGH DEO: I will have to collect the information because my Ministry does not give any licences or permissions. ...*(Interruptions)*...

SHRIMATI KAMLA SINHA: I would like to know whether Nestle and Cadbury have entered the Indian market in a big way.

SHRI K.P. SINGH DEO: I will have to collect information on this.

श्री संघ प्रिय गौतम: सभापति जी, सारे देश के लोगों के संज्ञान में यह आया है कि small scale industries are providing five times more employment to the Indian people than these multinationals. जब हमारे यहां इंपलायमेंट का स्कोप ही स्माल स्केल इंडस्ट्रीज़ में है तो मैं आपके माध्यम से यह पूछना चाहता हूं कि सरकार गला क्यों घोंट रही है बेरोज़गार लोगों का और रोज़गार के अवसर खत्म कर रही है? मल्टी नेशनल्ज़ को क्यों इनवाइट कर रही है? इसके पीछे क्या लॉजिक है, मंत्री जी बताएं?

SHRI K.P. SINGH DEO: Sir, we have not throttled anyone nor is the reservation for small scale industries scrapped in this country.

SHRI GURUDAS DAS GUPTA: Sir, the complaint is that the multinationals and foreign companies are being invited in food processing where there is no need for new technology and where the demand for capital is also not that high. Therefore, there is concern all over the country that unnecessarily they are being invited and it is being done at the cost of the Indian companies. That is the background, Sir. My specific question is whether we need foreign technology for manufacturing *dahi* in a country like India. There is a news item appearing that a foreign company is being invited for manufacturing *dahi* . It is an absurd limit to which the present economic policy is being stretched to. Therefore, Sir, I would only implore upon you to kindly ask the Minister whether it is a fact that a foreign company is being invited or whether any such proposal is there. Since the Minister is quite articulate, I put the question whether there is any application pending or whether there is any proposal pending or whether there is any suggestion to invite or whether there is a suggestion that they should invest for manufacturing *dahi* in India.

AN HON. MEMBER: In the name of Yoghourt.

SHRI GURUDAS DAS GUPTA: Yoghourt is an English name. It is not an Indian name. ...(*Interruptions*)... The hon. Minister knows it. ...(*Interruptions*)... I preferred the Indian name, i.e., *dahi*.

SHRI K.P. SINGH DEO: I will have to find out whehter there is any application for manufacturing *dahi* is pending or not, or whether there is any proposal being considered in this regard or not, because my Ministry does not give licences. It is done by another Ministry. I will collect the information and place it on the Table of the House. As far as inviting multinationals for manufacturing *dahi* is concerned, we have not invited anyone. In fact, apart from the Central Government, all the Chief Ministers of the States are going to the United States and other countries. .....(*Interruptions*)... The State of West Bengal signed 4.2 billion dollars worth of MOUs. ..(*Interruptions*)...

SHRI GURUDAS DAS GUPTA: Sir, this is a digression.

SHRI K.P. SINGH DEO: The Chief Minister of Bihar has also gone there. ...(*Interruptions*) ... The Chief Minister of Andhra Pradesh also went, Chief Minister of Maharashtra went there. ... (*Interruptions*) ... So many other Chief Ministers have gone to the United States. ...(*Interruptions*)...

SHRI GURUDAS DAS GUPTA: This is an unnecessary digression by the Minister to camouflage their own intentions. I would like the hon. Minister to tell us whether they would allow *dahi* to be manufactured by any foreign company. He should not evade the question; he should be categorical.

SHRI K.P. SINGH DEO: I never evade or avoid anything, Sir. I will first have to find out whether there is an application at all for *dahi*. (*Interruptions*)

SHRI GURUDAS DAS GUPTA: The West Bengal Chief Minister had never gone for *Sandesh* in America but you are going to America for *dahi*. That is the difference.

SHRI K.P. SINGH DEO: Sir, since he has got information, I shall profit by it. I will have to collect from official sources whether there is at all an application for *dahi* or not. how can I just give a hypothetical answer to a hypothetical question.

MR. CHAIRMAN: You collect and give the information.

SHRI K.P. SINGH DEO: But charity begins at home, Sir, in West Bengal.

NAM Summit in Columbia

*42. SHRI V. NARAYANASAMY: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) what are the subjects discussed at the Eleventh Summit of Non-Aligned Movement held at Cartagena in Columbia;

(b) the details of the resolutions passed or declaration adopted at the end of the Summit meeting; and

(c) what is the future role envisaged for NAM in international relations?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI PRANAB MUKHERJEE): (a) to (c) The Eleventh Conference of Heads of State/ Government of Non-Aligned Countries held in Cartagena, Colombia from 14-20 october, 1995, focussed on the continuing relevance and role of NAM in changed international situation and NAM's priorities, goals and response to new challenges. The Final Document and a short declaration entitled "Call from Colombia" adopted at the conclusion of the NAM Summit pronounced on a range of issues including the review of international situation, role of the Movement, international security and disarmament including nuclear disarmament, question of UN reforms, development, human rights, social issues and South-South Cooperation. The Summit documents, adopted after in-depth deliberations, reaffirm the continuing validity and relevance of the principles and objectives of NAM and stress that the Movement should work towards cooperation and a sense of full partnership in the international field for the promotion of peace and social and economic development. The Movement has a major role in shaping the future of internaitonal relations as it provides an important platform to its 113 member states to project their collective positions on issues of interest to the Movement.

SHRI V. NARAYANASAMY: Mr. Chairman, I agree with the hon. Minister that the relevance of NAM is very much there in the world because there is disparity between the developed and the developing countries. Sir, to my mind and also from the information which I gathered, bilateral issues should not be raised in the NAM Summit. But, to my surprise, I find, Sir, that one of our neighbouring countries, Pakistan raised bilateral issues. Only multilateral issues have to be raised according to NAM's Charter. And India gave a fitting reply. The Prime Minister and the Foreign Affairs Minister gave a fitting reply. Sir, I would like to know from the hon. Minister, when there is a specific understanding among the member-countries of NAM that bilateral issues should not be raised, why those issues were raised and why those issues were allowed to be raised by the countries and why India had to go and reply to those issues.

SHRI PRANAB MUKHERJEE: Sir, there are norms in NAM and other international organisations which are basically meant for discussing multilateral issues concerning all countries. But if somebody raises it, there is no way you can get out of it. While making observations if a Prime Minister or the head of a delegation makes a point, then the only way left is to reply because there is no mechanism by which you can gag a member or stop or prevent him from making his observation. The norms have to be followed and observed, but if somebody does not follow the norms, he only incurs the displeasure of others, as it